



January 15, 2020

*Sent Via email to*

Senator Jeanette K. White  
Chair, Senate Committee on Government Operations  
35A Old Depot Rd.  
Putney, VT 05346

[jwhite@leg.state.vt.us](mailto:jwhite@leg.state.vt.us)

Senator Anthony Pollina  
Vice Chair, Senate Committee on Government Operations  
93 Story Rd.  
North Middlesex, VT 05682

[apollina@leg.state.vt.us](mailto:apollina@leg.state.vt.us)

Treasurer Beth Pearce  
Office of the State Treasurer  
109 State Street FL 4  
Montpelier, VT 05609-6200

[Treasurers.Office@vermont.gov](mailto:Treasurers.Office@vermont.gov)

Re: Comments on Vermont HB 550

Dear Senators White and Pollina and Treasurer Pearce:

The Unclaimed Property Professionals Organization (“UPPO”) is the national trade association of unclaimed property holders and service providers. We represent over 400 unclaimed property holders and service providers and 1,450 unclaimed property professionals of diverse industries and employer size. UPPO advocates for consumer and compliance friendly unclaimed property laws and regulations.

It is our understanding that Vermont HB 550 will be before the Senate for a hearing on Friday, January 17, 2020. Due to the limited period of time to provide comments on the proposed bill, UPPO has focused this letter on some of the key issues raised by HB 550 with the intent to provide a more comprehensive analysis in the near future.

**Summary List:**

- **LINKAGE PROVISION:** HB 550 eliminates the linkage provision related to “indication of interest” which protects consumers from the early escheatment of their bank accounts. It is recommended that the linkage language within the existing Vermont law be inserted into the new statute to permit linkage between multiple properties held or relationships maintained by the same owner with a bank or financial institution.

- **1461 (5) (11) PAYROLL CARD:** The one-year dormancy period in the Vermont legislation would harm low-income citizens who do not hold traditional bank accounts. As such payroll cards are essentially bank accounts, they should be afforded the same dormancy period as traditional bank accounts: three years. Further, the RUUPA assigns a three-year dormancy period for payroll cards.
- **1462 WHEN TAX-DEFERRED RETIREMENT ACCOUNT PRESUMED ABANDONED:** There is a drafting error in this section that we have seen repeatedly in other states that required correction.

*(a) Subject to section 1469 of this title, property held in a pension account or retirement account that qualifies for tax deferral under the income-tax laws of the United States is presumed abandoned if it is unclaimed by the apparent owner **three years after:***

***(1) the later of the following dates:"***

*It should read:*

*(a) Subject to section 1469 of this title, property held in a pension account or retirement account that qualifies for tax deferral under the income-tax laws of the United States is presumed abandoned if it is unclaimed by the apparent owner **three years after the later of the following dates:"***

**1462 (2)(a)** In light of recent federal legislation, the mandatory distribution age has changed from 70 ½ and 72.

- **1469 (7) DEMAND/SAVINGS ACCOUNTS:** There exists an incompatible dormancy standard based only on the date of the “maturity of the deposit” for demand/savings accounts. It is recommended to have the dormancy period for these accounts triggered upon the earlier of maturity or the date of the last indication of interest in the property by the apparent owner.
- **1470 KNOWLEDGE OF DEATH OF INSURED OR ANNUITANT:** Section 1470 (b)(4) undermines the insurance claims process by allowing the state administrator or its agent to perform onerous, duplicative, repetitive comparisons of an insurer’s policyholder data against the Death Master File for the purpose of identifying “potential matches”. Such a demand requires the insurer to “validate” each potential match without any limitation or definition and places an unreasonable burden on the industry. Section 1470 (b)(4) should be deleted in its entirety and its removal would not diminish in any way the unclaimed property administrator’s oversight of unclaimed property compliance.




- **1486 TRAVELER'S CHECK, MONEY ORDER, OR SIMILAR INSTRUMENT:** VT HB 550 includes language which applies to traveler's checks and money orders but does not separately address bank-issued checks such as cashier's checks. Additional language providing direction on bank-issued checks would be recommended.
- **1623 TRANSITIONAL PROVISION:** Transition provision described in Section 1623 of the legislation requires that the initial report filed under the proposed law must include property that was not required to be reported before the new law goes into effect but would be required to be reported under the new law. The scope of such property that must be reported under the legislation would be property presumed abandoned 10 years preceding the effective date (items 13 to 15 years old). Requiring the reporting of such items assumes that businesses have records of transactions during the previous 13 – 15 years even though the current unclaimed property law under Vt. Stat. Ann. tit. 27, § 1261 (a) requires the business only to maintain records for 10 years after a report is filed and does not specify the records that must be maintained. Feasibly a business could have maintained the records relating to the items it reported to the state as required by existing law but may not have maintained records of items that were not reportable under the existing law. As the legislation changes and adds certain dormancy period triggers, dormancy periods and specifies new covered property types (i.e., payroll cards), the transition provision may apply to a business but may be impossible for a business to comply with considering the record retention requirements of the current law.

### Conclusion

These are just a few examples of concerns with the proposed legislation. While we understand the State's desire to adopt the Revised Uniform Unclaimed Property Act (RUUPA), it is imperative that this objective is not achieved in a manner that harms Vermont citizens. We strongly urge the Vermont legislature to take the necessary time to obtain input from all stakeholders, including consumers and business stakeholders, before enacting such sweeping legislation.

We welcome the opportunity to meet with your team to discuss these and related issues. Please contact me at 763-253-4344 or [toni@uppo.org](mailto:toni@uppo.org) with any questions or to schedule a meeting.

Respectfully,

  
Toni J. Nuernberg, CAE, CBF, CGA  
Executive Director

Cc: Al LaPerle, Director of Unclaimed Property, [unclaimed.property@vermont.gov](mailto:unclaimed.property@vermont.gov)